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**MEDIA RELEASE**

**Memtech International’s revenue passes US\$100 million mark for 9M2015**

- Revenue grew by 4.4% to US\$104.0 million for 9M2015
- Gross profit margin remained stable at 15.4% in 3Q2015
- 3Q2015 net profit would have increased 6.9% before exceptional item

FINANCIAL HIGHLIGHTS						
In US\$ million except otherwise stated	3Q2015	3Q2014	Change	9M2015	9M2014	Change
Revenue	37.1	36.1	2.6%	104.0	99.7	4.4%
Gross Profit	5.7	5.6	2.0%	17.6	16.7	5.2%
Gross Profit Margin	15.4%	15.5%	-0.1%	16.9%	16.8%	0.1%
Net Profit attributable to shareholders	1.6	12.2	-86.8%	4.3	15.0	-71.2%
Net Profit attributable to shareholders excluding one-off net gain*	1.6	1.5	6.9%	4.3	4.3	0.2%

*\*Net gain of US\$10.7 million from liquidation of subsidiary in 3Q2014.*

Singapore, 11 November 2015 – SGX Mainboard listed Memtech International Ltd. (“万德国际集团”, “Memtech” or collectively with its subsidiaries, the “Group”) today announced its financial results for the three months (“3Q2015”) and nine months ended 30 September 2015 (“9M2015”).

**Stable 3Q2015 financial results**

The Group recorded a stable set of results notwithstanding the continued slowdown in the China and global markets. The Group’s revenue increased by 2.6% to US\$37.1 million for

3Q2015 and by 4.4% to US\$104.0 million for 9M2015. The increase was due to increase in the automotive and consumer electronics segments which offset the decline in the telecommunications segment.

Commenting on the 3Q2015 results, Mr Chuang Wen Fu, Executive Chairman of Memtech International said: ***“We are pleased to see an improvement in the 3Q2015 results despite of the continued weakness in the Chinese economy. The orders that were pushed back from 2Q2015 was secured in 3Q2015 especially for the consumer electronics segment. We remain confident of our growth strategy and will continue to seek opportunities to strengthen our businesses.”***

The Group’s 3Q2015 gross profit saw a 2.0% increase to US\$5.7 million largely due to the increase in sales revenue for the quarter. Gross profit margin remained stable at 15.4%.

Sales and marketing expenses decreased by 7.9% to US\$1.7 million in 3Q2015 due to a decrease in logistics expenses. Higher staff costs and professional accreditation expenses accounted for the 12.3% increase in general and administration expenses to US\$3.0 million.

Net profit attributable to shareholders for 3Q2015 decreased 86.8% to US\$1.6 million compared to US\$12.2 million in 3Q2014 because there was an exceptional net gain of US\$10.7 million arising from the liquidation of a subsidiary in 3Q2014. Excluding the exceptional gain, the Group would have reported a 6.9% increase in net profit for 3Q2015 compared to the previous corresponding period.

### **Financial Review**

The Group’s net cash generated from operating activities in 3Q2015 was US\$3.1 million. The Group spent US\$2.1 million to purchase property, plant and equipment and US\$0.1 million on the share buyback exercise in August 2015.

As at 30 September 2015, the Group’s had a healthy financial position with a current ratio of 3.2 times and cash and cash equivalents of US\$27.2 million or approximately 3.9 US cents per share.

Mr Chuang remarked: ***“Our healthy balance sheet and strong operating cash flow will enable us to weather market volatility and ongoing challenges, while we continue to push for better growth in the last quarter of the year.”***

## **Outlook**

The economic growth in China remained weak in 3Q2015. During the China’s stock markets corrections had caused Chinese consumers to defer car purchases which affected the automotive market significantly. However, the China’s stock market has stabilized since September. There are signs of recovery in China’s automotive market. According to China Association of Automobile Manufacturers<sup>1</sup> (CAAM), sales of passenger cars in China in September was up 3.3% from a year earlier. The European Automobile Manufacturers’ Association<sup>2</sup> (ACEA) also recently reported that the demand for new passenger cars was up in EU.

Notwithstanding the challenges in the automotive market, the Group remained positive on this business segment. In consumer electronics segment, the Group has recently secured a component design approval from Beats Electronics which owns the brand “Beats by Dr. Dre”. Beats Electronics was recently acquired by Apple (AAPL US, NR).

The Group continues to put in effort upgrading its production facilities. Memtech recently increased the usage of automated robotic arms<sup>3</sup> at its factories to do precision pick and place of hybrid parts, which will help to substantially increase productivity and reduce costs to address ongoing industry challenges such as rising labour cost.

Mr Chuang concluded: ***“We are pleased to have secured approval for Beats new generation design and we will strive to make this a successful project. We remain true to our mission of adding value to both shareholders and customers and will be sharing more developments once they are finalised as we work towards sustainable growth. ”***

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**Note: This media release should be read in conjunction with the results announcement released on the SGX-Net on the same date.**

**About Memtech International Ltd. ([www.memtechchina.com](http://www.memtechchina.com))**

Listed on the Mainboard of the Singapore Securities Exchange Trading Limited (SGX-ST), Memtech International Ltd. is a global components solution provider working with our partners in the business of Automotive Components, Industrial and Medical, Mobile Communications and Consumer Digital devices. Memtech is a Singapore-based company with three manufacturing sites in Dongguan, Kunshan and Nantong in China. Besides a wide network of sales and engineering offices in China, Memtech has offices in Germany, Japan, U.S.A and Taiwan to support their global reach of products and services. Memtech serves major automotive suppliers such as Hella, Magna, Lear, Denso and Kostal, and provides solutions to major car manufacturers like Volkswagen, GM and most recently, Tesla. In the other business segments, Memtech has long-term customer relationships with Huawei, Lenovo, Samsung and Netgear, and has also worked with leading manufacturers including Foxconn and Celestica.

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